in the interest of safety. In contrast with this, European and American roads have a low capitalization, because of subsidies and favors received in construction, and low operation cost, because they are left with much greater freedom to operate their roads as they see fit. On the second point Mr. Pratt insists that English freight rates should be compared with American express rates, because their freight service is substantially similar to our express service (p. 10).

Several chapters are given to answering complaints made by English shippers against the favors shown to export and import trade. Other chapters show the railway conditions in France, Germany, Holland, Belgium, and Denmark. Although partisan in its character, the book contains much valuable information conveniently arranged.

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Banking and Currency. By ERNEST SYKES, B.A. London: Butterworth & Co., 1905. 12mo, pp. xii+244+index 14.

As stated in the preface, this book is intended mainly as a textbook for students, with the hope that it may be of some assistance to those who are reading for the examinations held under the Institute of Bankers, the London Chamber of Commerce, and other examining bodies. The work treats of a wide range of subjects, including money, banking, credit, crises, the stock exchange, commercial law, and foreign exchange. As banker, Mr. Sykes has come in contact with the different phases of banking practice. Consequently, the book is especially interesting as a practical treatise.

In his discussion of prices the author retains the classical theory, holding that the value of money is affected by two different sets of causes.

> On the one hand, we have a set of causes intimately connected with the supply of vendible commodities; on the other hand, we have to consider the amount of money and the economies in its use (p. 11).

He quotes with approval John Stuart Mill's statement that

> the amount of goods and transactions being the same, the value of money is inversely as its quantity multiplied by what is called rapidity of circulation (p. 13).

The book adds little to current discussions of the effect of credit upon prices. Credit instruments (bills, notes, checks, and so on) are included within the category of money (pp. 3 and 13). Credit is

based upon the quantity of precious metals in circulation and its quantity is roughly proportionate to that of its basis. However, the proportion is not exact, and so the paper circulation has the useful attribute of elasticity (p. 13).

Every creation of credit increases the quantity of money which may be put into circulation, and so has an effect on prices. The creation of credit increases the effective power of demanding goods, that is, it increases the power of demanding and paying for goods, and this is equivalent to an increase of the quantity of money (p. 56).

Mr. Sykes finds the explanation of crises in speculation and credit.

Speaking generally, all, or almost all, monetary crises are caused by excessive speculation (p. 220). Speculation acts upon prices by means of an increase in credit (p. 222). If credit did not exist and everything had to be paid for in gold or silver, the limitations of speculation would be very narrow (p. 222).

Excepting the Baring crisis of 1890, which was not known to the public until the danger was past, London has been free from panics for thirty years. This has been due to three causes: (1) a wide speculative movement has been hindered by the tendency to falling prices; (2) bankers have conducted their business on sounder lines than formerly; (3) the number of accommodation bills discounted has greatly declined (pp. 227–29).

The chief interest of the book to the American reader lies in its description of English financial institutions. In describing the recent development of English banking, the author says that "two tendencies are very marked, the tendency toward concentration by means of amalgamation and purchase, and the spread of branch banking" (p. 99).

Mr. Sykes' account of the monetary and banking systems of the United States is unsatisfactory. He omits important elements from his discussion, and his description is not entirely accurate. He states that national banks are required to maintain cash reserve proportioned to their total liabilities; in fact, the reserve is held against deposits alone.

Finally, the reader is impressed by the author's — or is it the typesetter's? — frequent confused use of pronouns and verbs. The following sentences are at least grammatically interesting:

Pitt had repealed the clause in the charter of the Bank of England forbidding *them* to lend to the Government beyond the amount of *their* capital, and was drawing freely on the Bank, which *was* compelled to honour his

drafts, although *it* lent under protest (p. 65). A Committee of the House of Commons examined the books of the Bank and reported *it* perfectly solvent, and the Bank *were* authorized to issue £1 and £2 notes to take the place of guineas in small payments (p. 66).

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Life Assurance Primer: A Text-Book. By HENRY MOIR, F.FA., F.I.A. New York: C. C. Hine's Sons Co., 1904. Pp. 152.

The Life Insurance Company. By WILLIAM ALEXANDER. (Appleton's Business Series.) New York: D. Appleton & Co., 1905. Pp. 281.

The Business of Life Insurance. By MILES MENANDER DAWSON. New York: A. S. Barnes & Co., 1905. Pp. 404.

In the main, with Mr. Moir's *Life Assurance Primer,* as with the other books under consideration, small occasion for criticism exists upon questions of technical or scientific accuracy. With this as with the remaining texts the important aspect for present purposes is the textbook aspect.

From this point of view the *Primer* is scarcely to be commended. In the first place, it is not a primer at all, but so far as it is adapted to any sort of classroom service, seems to fit best the needs of advanced work—where the emphasis may rightly be mainly algebraic and logarithmic. The beginner in insurance is chiefly concerned with descriptive material and with the theoretical-arithmetical phases of the subject; he does not need and cannot hold matter of actuarial lore and actuarial formulas. It is also to be said that the author of the *Primer* has not adequately appreciated the differece between an elementary text and an elementary cyclopedia. His book has learning, accuracy, and clarity; but teachability and disciplinary adaptation are completely sacrificed to logical exposition and to schematic exhaustiveness. The author fails to recognize that for textbook purposes a large part of the entire truth may safely be left go without saying, the while that certain aspects of the subject may need resaying in a dozen ways and from a dozen different points of view.

Of Mr. Alexander's *The Life Insurance Company* it must be said that, judged from the point of view of what appears to be its